

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

|  |   |                      |
|--|---|----------------------|
| UNITED STATES OF AMERICA, <u>ex rel.</u> | : |                      |
| CYNTHIA SANTORE SMITH,                   | : |                      |
|  | : |                      |
| Plaintiffs,                              | : |                      |
|  | : |                      |
| v.                                       | : | Civil Action 99-6605 |
|  | : | (Filed Under Seal)   |
|  | : |                      |
| COLUMBIA NATIONAL, INC.,                 | : |                      |
|  | : |                      |
| Defendant.                               | : |                      |
|  | : |                      |

**SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into this \_\_\_\_ day of \_\_\_\_, 2006, between Plaintiff, the UNITED STATES OF AMERICA (hereafter referred to as the “United States”), Plaintiff/Relator, CYNTHIA SANTORE-SMITH (hereafter referred to as the “Relator”), and defendant COLUMBIA NATIONAL, INC., n/k/a/ American Home Mortgage Servicing, Inc. (hereinafter, the “Defendant” or “COLUMBIA NATIONAL, INC.”), to resolve certain civil claims of the United States against the Defendant or any successor entity, arising from the conduct described below. The Parties (collectively the United States, the Relator, and the Defendant) hereby agree as follows:

A. The United States includes the Department of Justice, the Department of Housing and Urban Development (hereafter referred to as “HUD”), and their respective affiliates.

B. During the period from January 1, 1997, through September 1, 1999, COLUMBIA NATIONAL, INC., was a Maryland corporation registered and licensed to do business in the Eastern District of Pennsylvania. COLUMBIA NATIONAL, INC., operated an office at 3220 Tillman Drive, Bensalem, Pennsylvania (“Bensalem Office”). On June 28, 2002, COLUMBIA

NATIONAL, INC., was purchased by American Home Mortgage Holdings, Inc. (“American Home”). As of the date of the sale of COLUMBIA NATIONAL, INC., the above-captioned action had been filed but was under seal with the United States District Court for the Eastern District of Pennsylvania; accordingly, American Home had no knowledge that this Action was pending. The above-captioned matter was delegated to the United States Attorney’s Office for the Eastern District of Pennsylvania pursuant to Civil Division Directive No. 14-95 (March 27, 1995). At all relevant times, COLUMBIA NATIONAL, INC., was engaged in the business of providing a range of mortgage loan products, including conventional and government insured loans.

C. The United States offered mortgage insurance for certain qualifying residential loans originated by private lenders through HUD and its Federal Housing Administration (hereafter referred to as “FHA”).

D. The United States alleges that defendant COLUMBIA NATIONAL, INC., through certain of its now former employees, knowingly created and submitted false and fraudulent documents in connection with a number of its mortgage loans originating from the Bensalem Office in order to obtain FHA insurance. Such conduct included, but is not limited to, the creation and submission of false and fraudulent gift letters, rental verification documents, verification of employment forms, and letters of credit reference. As a result of the conduct of the former employees, the United States alleges that the Defendant is liable under the False Claims Act, 31 U.S.C. §§ 3729, et seq., and at common law under payment by mistake, willful misrepresentation, unjust enrichment, breach of contract, and fraud. The United States is not alleging that American Home had any knowledge of the conduct of the former employees or the submission of the alleged false and fraudulent documents in connection with the origination of

any of the loans at issue.

E. The United States alleges that COLUMBIA NATIONAL, INC., knowingly submitted or caused to be submitted claims to HUD and/or FHA that were false and fraudulent in that the claims were based on the false and fraudulent documents, created and submitted by the former employees of the Bensalem Office, that were relied upon in issuing loan approvals and FHA insurance. As a result, the United States alleges that the Defendant is liable under the False Claims Act, 31 U.S.C. §§ 3729, et seq., and at common law under payment by mistake, willful misrepresentation, unjust enrichment, breach of contract, and fraud.

F. The United States alleges that, in the course of obtaining loan approvals and FHA insurance, the Bensalem Office, through its then agents and employees, knowingly prepared and submitted, or knowingly caused the preparation and submission of, false and fraudulent documents. The loans in question were originated and approved during the period January 1, 1997, through September 1, 1999. Many of those loans fell into default. COLUMBIA NATIONAL, INC., submitted claims for insurance to reimburse it for losses it suffered as a result of those defaults. The Settlement Agreement shall cover all conduct relating to loan origination arising from FHA insured loans originated by the Bensalem Office with an FHA Case Number issue date on or between January 1, 1997 to September 1, 1999 (hereafter referred to as “covered conduct”).

G. COLUMBIA NATIONAL, INC., notified HUD that it had found evidence of fraud in a limited number of the loans it originated in its Bensalem Office. It then terminated certain employees, allowed others to resign, and closed the Bensalem Office. COLUMBIA NATIONAL, INC., entered into a settlement agreement with HUD in 2001 resolving an administrative enforcement action HUD brought in relation to the activities of the Bensalem

Office. Later, in connection with continued Department of Justice investigations in the activities of the Bensalem Office, COLUMBIA NATIONAL, INC., expanded its review of the mortgage loans originated by its Bensalem Office. That review has led COLUMBIA NATIONAL, INC., to forgo submitting to HUD claims for insurance on several other defaulted mortgage loans.

H. COLUMBIA NATIONAL, INC., has denied and continues to deny any wrongdoing, liability, or legal fault in connection with the claims and allegations asserted against it in the above-captioned action as well as all of the allegations set forth herein. American Home specifically denies that it had any knowledge of the alleged misconduct prior to its purchase of COLUMBIA NATIONAL, INC., or that it, or any American Home employees participated in any way in the preparation and submission of any false or fraudulent documents.

I. The United States, the Relator, and the Defendant desire to resolve any and all claims, disputes, and demands each may have against any other arising from the “covered conduct.” Such claims, disputes, and demands include, but are not limited to, any right the Relator may have under 31 U.S.C. § 3730(c)(5), (d)(1) to a share of proceeds resulting from this Settlement Agreement and any right the Relator may have under 31 U.S.C. § 3730(d)(1) to expenses, costs, and attorney’s fees.

NOW, THEREFORE, in reliance upon the representations contained herein and in consideration of the mutual promises, covenants, and obligations in this Settlement Agreement and the resolution of the claims set forth below, and for good and valuable consideration, receipt of which is by each acknowledged, the Parties agree as follows:

#### **TERMS AND CONDITIONS**

##### **1. Payment to the United States; Indemnification Provisions; Payments to the Relator**

1.1 Upon execution of this Settlement Agreement, COLUMBIA NATIONAL, INC.,

shall pay the United States the sum of EIGHT HUNDRED THOUSAND DOLLARS (\$800,000.00) (the "Payment"), as reimbursement for the damages suffered by the government in connection with the alleged fraudulent loans. Full payment shall be made within fifteen (15) days of the date of this Settlement Agreement, and shall be made by FedWire Electronic Funds Transfer pursuant to instructions from the United States Attorney's Office for the Eastern District of Pennsylvania.

1.2 The United States agrees that the Relator shall be awarded ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000.00), which represents the Relator's share of the Payment and the value of the indemnification provisions at paragraph 1.4 below (the "Share"). The United States will provide the Share within a reasonable time after the United States' receipt of the Payment from COLUMBIA NATIONAL, INC. The obligation to provide the Share to the Relator is expressly conditioned on the receipt by the United States of the Payment. Should COLUMBIA NATIONAL, INC., fail to make the Payment, the United States shall have no obligation to provide the Share to the Relator.

1.3 Upon execution of this Settlement Agreement, COLUMBIA NATIONAL, INC., shall pay to the Relator's counsel the sum of FORTY-FIVE THOUSAND DOLLARS (\$45,000.00) for any and all expenses, costs, and attorney's fees to which the Relator may claim a right under 31 U.S.C. § 3730(d)(1). Full payment shall be made within thirty (30) days of the date of this Settlement Agreement, and shall be made pursuant to instructions from the Relator's counsel. Relator's counsel agrees to provide Defendant with the name and tax identification number of the payee of these funds.

1.4 The Defendant hereby waives all insurance benefits which have, are, or may be claimed on the two (2) mortgages listed on Attachment A (which attachment is incorporated

herein). If HUD has paid, or does pay, a claim for the mortgages in Attachment A, Defendant shall indemnify HUD for such payments. Any and all sums the Defendant is obligated to pay pursuant to this indemnification obligation shall be payable in accordance with the instructions accompanying the invoice notifying the Defendant of an indemnification obligation. HUD will send the Defendant invoices at the Defendant's address of record as maintained with HUD pursuant to HUD Handbook 4060.1. The terms of the indemnification obligation are as follows:

**a. Defendant's indemnification obligations:**

In the event of any claim for insurance of any mortgages referenced in Attachment A to this Agreement, and/or where HUD incurs any expenses or losses honoring its FHA insurance obligations on those mortgages, the amount of indemnification is HUD's Investment as defined below.

**b. General Terms:**

1. HUD's Investment, for the purpose of indemnification, covers any loss or expense, as applicable, incurred in connection with an FHA insured mortgage, including, but not limited to: the full amount of the insurance claim actually paid, all taxes and assessments paid or payable by HUD, all maintenance and operating expenses paid or payable by HUD (including costs of rehabilitation and preservation), loss mitigation, prorated losses from and expenses associated with the sale of a note, a one time administrative fee of \$75 per mortgage, reasonable penalties for failure to pay amounts owed within the timeframe established on HUD invoices, interest in the amount owed at 5% per annum calculated from the date of the first bill, all sales expenses and any other expenses HUD may incur in connection with its claim disposition programs regarding FHA insured mortgages. To the extent HUD recoups any losses (e.g., receipts for the sale of the property) or there is any discount on the property (e.g., an Officer Next Door discount), HUD will deduct the amount of the recoupment or discount from HUD's Investment.
2. Where the mortgage(s) is streamline refinanced, the Defendant's indemnification obligation will not be eliminated, but will extend to the new mortgage. The indemnification obligation will be HUD's Investment, as defined above.
3. If the sales price of the property securing a mortgage for which indemnification obligation exists exceeds the sum of HUD's Investment,

as defined above, HUD will retain the excess.

4. HUD may, at its option, reconvey the property to the Defendant. In the event of a reconveyance, the Defendant will remain liable for HUD's Investment.

## 2. Additional Consideration

2.1 In addition to complying with the terms recited in the body of this Settlement Agreement, the Defendant agrees to comply with an agreement executed between the Department of Justice, through the U.S. Attorney's Office for the Eastern District of Pennsylvania, and the Defendant, the terms of which agreement are set forth in a letter dated April 28, 2006, from Michael S. Blume to Alan B. Horn.

[REMAINDER OF THIS PAGE IS BLANK]

### 3. Dismissal by the United States

3.1 Upon timely receipt of the Payment described in paragraph 1.1 above, the United States and the Relator shall move to dismiss with prejudice the Relator's Complaint as against COLUMBIA NATIONAL, INC., at Civil Action No. 99-6605 pending in the United States District Court for the Eastern District of Pennsylvania. The Payment shall constitute settlement for all damages and civil penalties under the False Claims Act based upon the "covered conduct."

3.2 Except as provided by the April 28, 2006, letter referenced in paragraph 2.1 and other provisions of paragraph 3, the United States further agrees to release the Defendant, and its parents, affiliates, subsidiaries, and successors, from all civil monetary liability to the United States for all civil claims under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Federal Debt Collection Procedures Act, 28 U.S.C. § 3301 et seq.; and the common law theories of payment by mistake, unjust enrichment, willful misrepresentation, breach of contract, and fraud or any other cause of action arising from the "covered conduct."

3.3 The Department of Housing and Urban Development further agrees to refrain from issuing, through the Mortgagee Review Board of HUD, or other office, branch or part of HUD, a reprimand, probation, suspension, withdrawal, debarment, or any other administrative action against Defendant, including administrative actions pursuant to 12 U.S.C. § 1708 and/or 24 CFR § 25.1, et seq., arising from the "covered conduct." However, nothing in this Settlement Agreement shall prohibit HUD from pursuing recovery under the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, with respect to claims for mortgage insurance benefits arising from the "covered conduct" submitted after the effective date of this Settlement Agreement,



provided that any recovery shall not exceed the indemnification amount applicable to each such claim determined in the manner prescribed by paragraph 1.4.

3.4 The United States does not release COLUMBIA NATIONAL, INC., from: (a) any criminal, civil, or administrative claims or defenses arising under Title 26, United States Code (Internal Revenue Code); (b) any criminal liability; (c) any liability to the United States (or any agencies thereof) for any conduct other than the “covered conduct”; (d) any claims arising from a breach of this Settlement Agreement; (e) any administrative liability for any conduct other than the “covered conduct”; (f) any claims not specifically released in this Settlement Agreement.

#### 4. Release by Defendant

4.1 Defendant fully and finally releases the United States, including its agencies, employees, and agents from any claims (including claims for attorney’s fees, costs, and expenses) that the Defendant could assert arising from the investigation under the False Claims Act of the “covered conduct” and/or from conduct in submitting any “future claims”.

4.2 COLUMBIA NATIONAL, INC., agrees that the amounts paid under this Settlement Agreement are not punitive in nature or effect for purposes of a criminal or administrative action, and it hereby waives any defenses it may have to any criminal or administrative action, based in whole, or in part, upon the Double Jeopardy Clause of the United States Constitution, of the holding or principles set forth in United States v. Halper, 490 U.S. 435 (1989), or any other subsequent statute or case. Nothing in this paragraph or any other provision of this Settlement Agreement is intended to affect any claims or defenses arising under the Internal Revenue Code, Title 26 of the United States Code.

4.3 It is agreed that all costs (as defined in the Federal Acquisition Regulations (“FAR”) 31.205.47) incurred by or on behalf of the Defendant in connection with (1) the matters

covered by this Settlement Agreement, (2) the government's investigation of the matters covered by this Settlement Agreement, (3) the Defendant's investigation and defense of the matters covered by this Settlement Agreement, including corrective actions related thereto, (4) the negotiation of this Settlement Agreement, (5) the Payment made to the United States pursuant to this Settlement Agreement, and (6) costs associated with the submission of any future claims shall be unallowable costs for government contract accounting purposes. These amounts shall be separately accounted for by the Defendant.

4.4 Defendant, and its parents, affiliates, subsidiaries, and successors, fully and finally releases the Relator, including her heirs, successors, assigns, agents and attorneys, from any claims that the Defendant could assert arising from the above-captioned action.

5. Release by Relator

5.1 Relator agrees that this Settlement Agreement is fair, adequate, and reasonable under all circumstances, and will not challenge the Settlement Agreement pursuant to 31 U.S.C. § 3730(c)(2)(B), and expressly waives the opportunity for a hearing on any such objection, pursuant to 31 U.S.C. § 3730(c)(2)(B).

5.2 On receipt of the Share referenced in paragraph 1.2 above, Relator, for herself, her heirs, successors, and assigns, agents and attorneys, will release and will be deemed to have released and forever discharged the United States from any claims pursuant to 31 U.S.C. § 3730(d)(1) for a share of the proceeds of this Settlement Agreement. The Relator hereby releases any and all claims, of whatever kind, against the United States arising out of or relating to the allegations asserted in Civil Action 99-6605 filed in the U.S. District Court for the Eastern District of Pennsylvania against COLUMBIA NATIONAL, INC.

5.3 The United States and the Relator agree that, if this Settlement Agreement is held

by a court not to be “fair, adequate, and reasonable,” as required under 31 U.S.C.

§ 3730(c)(2)(B), or if the Complaint as against COLUMBIA NATIONAL, INC. is not dismissed with prejudice, this Settlement Agreement is null and void.

5.4 On receipt of the Share and the payment referenced, respectively, in paragraphs 1.2 and 1.3 above, the Relator, including her heirs, successors, assigns, agents and attorneys, fully and finally releases the Defendant, and its parents, affiliates, subsidiaries, and successors, from any claims that the Relator could assert arising from the above-captioned action or any other claims arising from or related to Relator’s employment with the Defendant.

## 6. Contingencies

6.1 This Settlement Agreement as to COLUMBIA NATIONAL, INC., is contingent upon COLUMBIA NATIONAL, INC.’S full and timely compliance with paragraphs 1.1 and 1.4 above. In addition, COLUMBIA NATIONAL, INC., shall fully cooperate with the United States Attorney’s Office, Eastern District of Pennsylvania, in connection with any criminal or civil investigation and/or prosecution that may arise as to any former employee, contractor, or agent of COLUMBIA NATIONAL, INC., who was responsible for, has information about, or participated in any activity relating to the submission of false documents and statements to obtain government insurance for mortgages.

## 7. Admissions

7.1 COLUMBIA NATIONAL, INC., denies any wrongdoing, liability, or legal fault in connection with the claims and allegations asserted against it in the above-captioned action, as well as all of the allegations set forth herein. American Home specifically denies that it had any knowledge of any wrongdoing on the part of the employees of Defendant at the Bensalem Office or that it was aware of the alleged misconduct at the time American Home purchased

COLUMBIA NATIONAL, INC. American Home further denies that it has any liability or legal fault in connection with the claims and allegations asserted against COLUMBIA NATIONAL, INC. This Settlement Agreement is entered into for purposes of compromise, and neither the fact of this Settlement Agreement nor any of its provisions shall constitute an admission or be utilized as such by any party, except to prove and enforce the terms of this Settlement Agreement.

8. Requisite Authorities

8.1 The signatories to this Settlement Agreement warrant that they have authority to bind the parties they represent.

9. Release of Others

9.1 The terms of this Settlement Agreement are not intended to release or inure to the benefit or in any way to create a benefit in favor of any individual, corporation, or business entity not a party to this Settlement Agreement, except as expressly set forth herein.

10. Modification

10.1 The Parties agree that this Settlement Agreement may not be altered, amended, modified, or otherwise changed except by a writing duly executed by all of the Parties.

11. Entire Agreement

11.1 This Settlement Agreement represents and expresses the entire agreement between the Parties with respect to the subject matter of this Settlement Agreement, and there are no other agreements, understanding, representations, warranties, inducements, or consideration, except as expressly stated in this Settlement Agreement.

12. Counterparts

12.1 This Settlement Agreement may be executed in counterparts, each of which

constitutes an original and all of which together shall constitute one and the same instrument.

13. Notices

13.1 All notices, requests, demands, and any other communications to the United States arising under this Settlement Agreement shall be in writing and sent by first class United States mail, addressed as follows, unless otherwise indicated by this Settlement Agreement:

Assistant United States Attorney Michael S. Blume  
United States Attorney's Office  
615 Chestnut Street, Suite 1250  
Philadelphia, PA 19106

13.2 All notices requests, demands, and any other communications to the Relator arising under this Settlement Agreement shall be in writing and sent by first class United States mail, addressed as follows, unless otherwise indicated by this Settlement Agreement:

Howard Bruce Klein, Esq.  
1700 Market Street  
Suite 2632  
Philadelphia, PA 19103

13.3 All notices requests, demands, and any other communications to the Defendant arising under this Settlement Agreement shall be in writing and sent by first class United States mail, addressed as follows, unless otherwise indicated by this Settlement Agreement:

Mitchel H. Kider, Esq.  
Weiner Brodsky Sidman Kider PC  
1300 Nineteenth Street, N.W.  
Fifth Floor  
Washington, DC 20036-1609

14. Agreement Binding on Heirs, Successors, and Assigns

14.1 This Settlement Agreement shall be binding on all heirs, successors, transferees, and assigns of all parties.

15. Effective Date of Agreement

15.1 This Settlement Agreement shall become effective upon the later date of its execution by the Parties listed below.

16. Public Disclosure

16.1 All Parties consent to the United States' disclosure of this Settlement Agreement, and information about this Settlement Agreement, to the public, and the Relator and Defendant waive any legal rights she/it may have, including without limitation those granted by the Privacy Act, 5 U.S.C. § 552a, to maintain as confidential this Settlement Agreement and information about this Settlement Agreement.

17. Tolling Agreement

17.1 Upon the execution of this Settlement Agreement, any and all tolling agreements previously entered into by the Parties are rescinded and of no further legal effect.

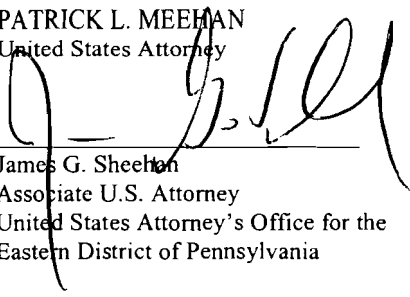
IN WITNESS WHEREOF, the Parties affix their signatures.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

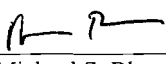
**ON BEHALF OF THE UNITED STATES OF AMERICA**

PATRICK L. MEEHAN  
United States Attorney

Dated: \_\_\_\_\_

  
\_\_\_\_\_  
James G. Sheehan  
Associate U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

Dated: 4/19/06

  
\_\_\_\_\_  
Michael S. Blume  
Assistant U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

U.S. Department of Housing and Urban Development

Dated: \_\_\_\_\_

\_\_\_\_\_  
Brian D. Montgomery  
Assistant Secretary for Housing – Federal Housing Commissioner

**ON BEHALF OF THE RELATOR**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Cynthia Santore-Smith

Dated: \_\_\_\_\_

\_\_\_\_\_  
Howard Bruce Klein, Esq.  
Counsel for Cynthia Santore-Smith

**ON BEHALF OF AMERICAN HOME MORTGAGE  
SERVICING, INC., AS SUCCESSOR-IN-INTEREST TO  
DEFENDANT COLUMBIA NATIONAL, INC.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Alan B. Horn  
Executive Vice President and General Counsel  
American Home Mortgage Investment Corp.

**ON BEHALF OF THE UNITED STATES OF AMERICA**

PATRICK L. MEEHAN  
United States Attorney

Dated: \_\_\_\_\_

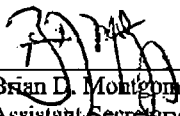
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James G. Sheehan  
Associate U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

Dated: \_\_\_\_\_

\_\_\_\_\_  
Michael S. Blume  
Assistant U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

U.S. Department of Housing and Urban Development

Dated: 5/12/06

  
\_\_\_\_\_  
Brian D. Montgomery  
Assistant Secretary for Housing – Federal Housing Commissioner

**ON BEHALF OF THE RELATOR**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Cynthia Santore-Smith

Dated: \_\_\_\_\_

\_\_\_\_\_  
Howard Bruce Klein, Esq.  
Counsel for Cynthia Santore-Smith

**ON BEHALF OF AMERICAN HOME MORTGAGE  
SERVICING, INC., AS SUCCESSOR-IN-INTEREST TO  
DEFENDANT COLUMBIA NATIONAL, INC.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Alan B. Horn  
Executive Vice President and General Counsel  
American Home Mortgage Investment Corp.



**ON BEHALF OF THE UNITED STATES OF AMERICA**

PATRICK L. MEEHAN  
United States Attorney

Dated: \_\_\_\_\_

\_\_\_\_\_  
James G. Sheehan  
Associate U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

Dated: \_\_\_\_\_

\_\_\_\_\_  
Michael S. Blume  
Assistant U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

U.S. Department of Housing and Urban Development

Dated: \_\_\_\_\_

\_\_\_\_\_  
Brian D. Montgomery  
Assistant Secretary for Housing – Federal Housing Commissioner

**ON BEHALF OF THE RELATOR**

Dated: 4/26/06

Cynthia Santore-Smith  
Cynthia Santore-Smith

Dated: 4/24/06

Howard Bruce Klein  
Howard Bruce Klein, Esq.  
Counsel for Cynthia Santore-Smith

**ON BEHALF OF AMERICAN HOME MORTGAGE  
SERVICING, INC., AS SUCCESSOR-IN-INTEREST TO  
DEFENDANT COLUMBIA NATIONAL, INC.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Alan B. Horn  
Executive Vice President and General Counsel  
American Home Mortgage Investment Corp.

**ON BEHALF OF THE UNITED STATES OF AMERICA**

PATRICK L. MEEHAN  
United States Attorney

Dated: \_\_\_\_\_

\_\_\_\_\_  
James G. Sheehan  
Associate U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

Dated: \_\_\_\_\_

\_\_\_\_\_  
Michael S. Blume  
Assistant U.S. Attorney  
United States Attorney's Office for the  
Eastern District of Pennsylvania

U.S. Department of Housing and Urban Development

Dated: \_\_\_\_\_

\_\_\_\_\_  
Brian D. Montgomery  
Assistant Secretary for Housing – Federal Housing Commissioner

**ON BEHALF OF THE RELATOR**

Dated: \_\_\_\_\_

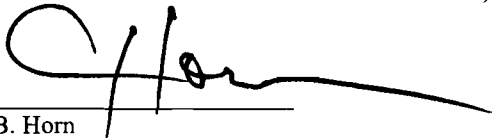
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Cynthia Santore-Smith

Dated: \_\_\_\_\_

\_\_\_\_\_  
Howard Bruce Klein, Esq.  
Counsel for Cynthia Santore-Smith

**ON BEHALF OF AMERICAN HOME MORTGAGE  
SERVICING, INC., AS SUCCESSOR-IN-INTEREST TO  
DEFENDANT COLUMBIA NATIONAL, INC.**

Dated: 5/8/06

  
\_\_\_\_\_  
Alan B. Horn  
Executive Vice President and General Counsel  
American Home Mortgage Investment Corp.

**ATTACHMENT A**  
**Columbia National, Inc.**

Columbia National, Inc., hereby waives any claim for insurance benefits in connection with the following FHA insured loans:

FHA Case Nos.

441-5841745

441-5575206